

**CONFIDENTIAL**

Assistant General Counsel

29 June 1948

Deputy Assistant Director for Operations

Tax Exemption for FBIB Property on Cyprus

REFERENCE: Memorandum to Assistant General Counsel from Assistant Director for Operations, dated 21 June 1948, subject as above

1. A report has just been received from the Assistant Chief, FBIB Mediterranean Bureau on Cyprus, that the Colonial Secretary on Cyprus has advised that an interim reply has been received from the Secretary of State for the Colonies. It is stated that there "is nothing in the 'reciprocity agreement' which directly or indirectly concerns exemption from taxes. The agreement is concerned with technical monitoring and communications, rather than with administrative matters." It is further stated by the Colonial Office in London that "it is likely that the American authorities will before long bring their monitoring unit in Cyprus into conformity with other similar units elsewhere, so that its property will be held in the name of the State Department and will be entitled to normal diplomatic privileges, including tax immunity."

/s/

Colonel, USAF

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cc: Addressee: Orig. & 1  
OO-2  
Ret. Chief, FBIB - 1  
Admin. Office - 1

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